

<b>Agency:</b>	<b>107 Health Care Authority</b>
<b>Decision Package Code/Title:</b>	<b>PL-N3 Fund P1 Contract Compliance Module</b>
<b>Budget Period:</b>	<b>2015-17 Biennial Submittal</b>
<b>Budget Level:</b>	<b>PL – Policy Level</b>

### **Recommendation Summary Text**

The Health Care Authority (HCA) requests \$2,335,000 (\$284,000 GF-State) in the 2015-17 biennium to implement a ProviderOne Contract Compliance Module that will provide a single, consolidated repository for tracking the Managed Care Organization (MCO) contract oversight activities.

### **Package Description**

As a part of the HCA's realignment from a Medicaid fee-for-service/payer organization to an active managed care purchaser, there is a need to expand and develop comprehensive monitoring and tracking mechanisms that will assist the HCA in effectively managing and overseeing the Medicaid managed care plans. This need was highlighted in the State Auditor's report, *Performance Audit on HCA's Oversight of the Medicaid Managed Care Program*; the tools requested here support the HCA's Corrective Action Plan related to recommendations documented in that performance audit. This proposal is for development and implementation of a ProviderOne Contract Compliance Module that provides a single repository for communications to/from the MCOs, enhanced capabilities for monitoring contract compliance activities, and automated reconciliation and reporting of encounter data received from the MCO against General Ledger submissions.

The ProviderOne Contract Compliance Module would enhance the HCA's ability to effectively track, monitor, measure and report required managed care contract oversight activities. It addresses the recommendations included in the State Auditor's report, and will assist in establishing effective Corrective Action Plans to address those recommendations.

The ProviderOne Contract Compliance Module is built on a ProviderOne Data Store that includes contract documentation, data exchange to/from the MCOs, and a comprehensive data store of Service Level Agreements (SLA). It provides the state and the MCOs a single point of access for health plans to submit and exchange financial, encounter and other benchmark data and provides a structured workflow for issue management, and auditable tracking of all interactions. It enables the HCA to enforce, leverage, and apply the various aspects of contract compliance in a more effective manner. The ProviderOne vendor – CNSI – has developed a prototype of the ProviderOne Contract Compliance module and will work with the HCA to further develop and configure it to meet the state's specific business needs.

Questions related to this request should be directed to Christy Vaughn at (360) 725-0468 or at [Christy.Vaughn@hca.wa.gov](mailto:Christy.Vaughn@hca.wa.gov).

### **Fiscal Detail/Objects of Expenditure**

This request supports the following components of the ProviderOne Contract Compliance Module. Additional components may be available for future implementation if desired.

- ProviderOne Managed Care Contract Tracking Database and Engine provides the underlying technical infrastructure for the module;

<b>Agency:</b>	<b>107 Health Care Authority</b>
<b>Decision Package Code/Title:</b>	<b>PL-N3 Fund P1 Contract Compliance Module</b>
<b>Budget Period:</b>	<b>2015-17 Biennial Submittal</b>
<b>Budget Level:</b>	<b>PL – Policy Level</b>

- Health Plan Collaboration Portal supports access for state users and health plans and is the gateway for intake of information from both sources;
- Dashboard Generation Services presents a high level summary of the status of a variety of contract oversight components and compliance activities for each MCO;
- Automated encounter data reporting and reconciliation services aggregate encounter data submitted by the MCO and compare it to categories submitted in the MCO general ledger reporting.

It is anticipated that an enhanced match rate of 90 percent federal financial participation (FFP) will be available for this implementation.

	<b>FY 2016</b>	<b>FY 2017</b>	<b>Total</b>
<b>1. Operating Expenditures:</b>			
Fund 001-1 GF-State	\$ 263,000	\$ 21,000	\$ 284,000
Fund 001-C GF-Federal Medicaid Title XIX	\$ 1,988,000	\$ 63,000	\$ 2,051,000
<b>Total</b>	<b>\$ 2,251,000</b>	<b>\$ 84,000</b>	<b>\$ 2,335,000</b>

	<b>FY 2016</b>	<b>FY 2017</b>	<b>Total</b>
<b>2. Staffing:</b>			
Total FTEs	-	-	-

	<b>FY 2016</b>	<b>FY 2017</b>	<b>Total</b>
<b>3. Objects of Expenditure:</b>			
A - Salaries And Wages	\$ -	\$ -	\$ -
B - Employee Benefits	\$ -	\$ -	\$ -
C - Personal Service Contracts	\$ -	\$ -	\$ -
E - Goods And Services	\$ 2,251,000	\$ 84,000	\$ 2,335,000
G - Travel	\$ -	\$ -	\$ -
J - Capital Outlays	\$ -	\$ -	\$ -
N - Grants, Benefits & Client Services	\$ -	\$ -	\$ -
Other (specify) -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 2,251,000</b>	<b>\$ 84,000</b>	<b>\$ 2,335,000</b>

	<b>FY 2016</b>	<b>FY 2017</b>	<b>Total</b>
<b>4. Revenue:</b>			
Fund 001-C GF-Federal Medicaid Title XIX	\$ 1,988,000	\$ 63,000	\$ 2,051,000
<b>Total</b>	<b>\$ 1,988,000</b>	<b>\$ 63,000</b>	<b>\$ 2,051,000</b>

<b>Agency:</b>	<b>107 Health Care Authority</b>
<b>Decision Package Code/Title:</b>	<b>PL-N3 Fund P1 Contract Compliance Module</b>
<b>Budget Period:</b>	<b>2015-17 Biennial Submittal</b>
<b>Budget Level:</b>	<b>PL – Policy Level</b>

## **Narrative Justification and Impact Statement**

### **What specific performance outcomes does the agency expect?**

This request addresses a number of recommendations included in the State Auditor’s Office (SAO) Performance Audit of the Health Care Authority’s Oversight of the Medicaid Managed Care Program. In the Agency Response and Corrective Action Plan dated April 2, 2014, the HCA concurred with the recommendation to create and implement comprehensive revenue, cost-reporting and monitoring system to further strengthen our ability to effectively manage and oversee the Medicaid Managed Care Plan. This ProviderOne Contract Compliance module creates a consolidated mechanism for meeting that Corrective Action.

### **Performance Measure Detail**

#### **Activity Inventory**

H003 Information Technology

### **Is this decision package essential to implement a strategy identified in the agency’s strategic plan?**

The mission of the HCA is to provide high quality health care for the state’s most vulnerable residents. This request funds necessary compliance activities that ensure the continued viability of the Medicaid program. It is directly related to the HCA’s Key Outcome of Accountable Management and the agency’s strategies related to overseeing contract compliance and quality and managing enterprise risk.

### **Does this decision package provide essential support to one or more of the Governor’s Results Washington priorities?**

This request supports Goal 5 of the Governor’s Results Washington priorities which calls for effective, efficient and accountable government. This request is also essential to achieving the Governor’s Results Washington Goal 4: Healthy and Safe Communities by controlling expenditures, creating more transparency in the health care delivery system and making better use of information technology.

### **What are the other important connections or impacts related to this proposal?**

This proposal addresses a number of recommendations included in the SAO Performance Audit of the Health Care Authority’s Oversight of the Medicaid Managed Care Program. In the “Agency Response and Corrective Action Plan” dated April 2, 2014, the HCA concurred with the recommendation to create and implement comprehensive revenue, cost-reporting and monitoring system to further strengthen our ability to effectively manage and oversee the Medicaid Managed Care Program. The ProviderOne Contract Compliance module creates a consolidated mechanism for meeting that Corrective Action. It also addresses the MCO needs for a consolidated portal for all communication to/from the HCA.

<b>Agency:</b>	<b>107 Health Care Authority</b>
<b>Decision Package Code/Title:</b>	<b>PL-N3 Fund P1 Contract Compliance Module</b>
<b>Budget Period:</b>	<b>2015-17 Biennial Submittal</b>
<b>Budget Level:</b>	<b>PL – Policy Level</b>

**What alternatives were explored by the agency, and why was this alternative chosen?**

The HCA did not consider purchase of other contract monitoring tools as alternatives. The Contract Monitoring Module's integration with ProviderOne provides a unique interface between the Medicaid ,managed care contracts and the service delivery system.

**What are the consequences of adopting this package?**

Funding this proposal will allow the HCA to move forward with implementation of the ProviderOne Contract Compliance Module that will assist with contract monitoring and oversight activities and will introduce efficiencies to the Agency related to automated reporting and reconciliation of encounter data with the MCO general ledger reporting.

**What is the relationship, if any, to the state capital budget?**

None

**What changes would be required to existing statutes, rules, or contracts, in to implement the change?**

None

## **Expenditure and Revenue Calculations and Assumptions**

*Revenue Calculations and Assumptions:*

The anticipated federal funds from Medicaid (Title XIX) are reflected in the fiscal detail. It is anticipated that an enhanced match rate of 90 percent FFP will be available for the implementation and the maintenance will qualify for a match rate of 75 percent FFP.

*Expenditure Calculations and Assumptions:*

The expenditure calculation is solely based upon the quote received from CNSI for the cost of the ProviderOne module being purchased.

**Which costs, savings, and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?**

*Distinction between one-time and ongoing costs:*

The initial cost to purchase the ProviderOne module in this request is a one-time cost. In addition to the purchase of the module, this request includes maintenance costs for the first 12 months following implementation.

*Budget impacts in future biennia:*

None